



ESSA FISCAL FUN

Hot topics and FAQs

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Allowable Costs



What is really required when expending federal funds?

In accordance with 2 CFR 200.403, all costs must be:

- Necessary, reasonable, and allocable
- Conform with federal law
- Consistent with policies and procedures
- Consistently treated
- In accordance with GAAP
- Not included as a match
- Net of applicable credits (2 CFR 200.406)
- Adequately documented

What is necessary for District-Level expenses?



What is necessary for School-level expenses?

- Schoolwide/Targeted Assistance Plan
 - Educational expenses
 - Increase performance
 - Well-rounded education
 - Serving eligible students, parents and/or teachers
- School Improvement (as applicable (ESSA Section 1003))
 - Schools in targeted/comprehensive improvement



What is necessary for School-level expenses?

- Schoolwide plans – ESSA Section 1114(b)
 - Regularly monitored and revised as necessary based on student needs
 - Based on a comprehensive needs assessment
 - Includes strategies that the school will be implementing to address student needs, **particularly the needs of at-risk students**

Audit Alert

OIG Priority Work: State and District oversight of schoolwide programs

- Idaho Dept. of Ed Audit (Sept 2017)
 - Sampled “at-risk” students to see whether added supports were provided
 - “Could not confirm that any of these students received [Title I intervention] services.”



Allowable Cost

There are 55 specific items of cost (2 CFR 200.420), including:

- Advertising
- Alcohol
- Bad Debts
- Conferences
- Fundraising
- Entertainment Costs
- Fines & Penalties
- Training & Education Costs
- Travel



Allowable Cost

Written policies and procedures are required!

- Allowability Procedures – 2 CFR 200.302(b)(7)
- Cash Management Procedures – 2 CFR 200.302(b)(7)
- Procurement/ Conflicts of Interest Policy – 2 CFR 200.318(a), (c)
- Equipment Management – 2 CFR 200.313(d)
- Travel Policy – 2 CFR 200.474(b)
- Time and Effort Procedures

Is it allowable? (1)

Can a school use Title I funds to take kids on a field trip?

- ☐ Yes
- ☐ No
- ☐ It Depends



Is it allowable? (2)

Can a school use Title I funds to provide after school tutoring for all students?

- ☐ Yes
- ☐ No
- ☐ It Depends



Is it allowable? (3)

Can a district use Title II funds to reimburse a private school the cost of their teachers attending an academic conference related to improving student achievement?

☐ Yes

☐ No

☐ It Depends

Is it allowable? (4)

Can a school use Title I funds to purchase light snacks for a parent meeting?

- ☐ Yes
- ☐ No
- ☐ It Depends



Is it allowable? (5)

Can a school use Title I funds to take its teachers on a boat cruise as a team building event to thank them for all their hard work?

- ☐ Yes
- ☐ No
- ☐ It Depends



Is it allowable? (6)

Can a school use Title III funds to purchase t-shirts, hats and water bottles with the school's logo on it?

☐ Yes

☐ No

☐ It Depends

Is it allowable? (7)

If traveling using federal funds, do the federal government rates apply, even if the grantee has its own written travel policy?

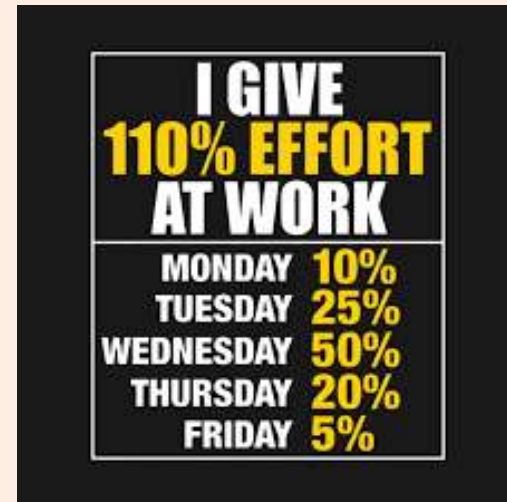
- ☐ Yes
- ☐ No
- ☐ It Depends



Is it allowable? (8)

Can a district direct charge a portion of the superintendent's salary to Title I for auxiliary time spent as Title I Director?

- ☐ Yes
- ☐ No
- ☐ It Depends



Is it allowable? (9)

Can a schoolwide school use Title I funds to provide incentive pay (stipends) to teachers?

- ☐ Yes
- ☐ No
- ☐ It Depends



Is it allowable? (10)

May a district use Title I funds only to develop Time and Effort policy and procedures that will be followed by all federal programs?

- ☐ Yes
- ☐ No
- ☐ It Depends



Supplement, Not Supplant

What is really required for Title I, Part A and C?

LEAs may only use Title I funds to supplement the funds that would, in the absence of those Title I funds, be made available from state and local sources for the education of students participating in Title I programs, and not to supplant such funds

ESEA Section 1118(b)(1)

Supplement, Not Supplant Title I, Part A and C

LEA must have a written methodology to distribute state and local funds to its schools so that funds are distributed without regard to the school's Title I status

ESEA Section 1118(b)(2)

Supplement, Not Supplant Title I, Part A and C

No LEA shall be required to:

- Identify that an individual cost or service supported with Title I is supplemental or
- Provide Title I services through a particular instructional method or in a particular instructional setting in order to demonstrate compliance

ESEA Section 1118(b)(3)

Does this methodology work?

The LEA distributes state funds based on characteristics of students in each school so that students with characteristics associated with educational disadvantage generate additional funding for their school



Does this methodology work?

The LEA provides:

- Basic per-pupil: \$50
- Additional allocation per low-income: \$50
- Additional allocation per Special Education: \$150
- Additional allocation per English Learner: \$70

Does this methodology work?

The LEA distributes state/local funds based on grade level:

- All elementary schools receive \$100 per student
- All middles schools receive \$75 per student
- All High schools receive \$85 per student

Does this methodology work?

The LEA uses state/local funding to ensure that each school has enough funds to pay for 1 teacher for every 25 students and \$15 per student for supplies and equipment



Does this methodology work?

The LEA uses state/local funding to ensure that each school has enough funds to pay for 1 teacher for every 25 students and \$15 per student for supplies and equipment

At the end of its distribution, the LEA learns it has \$10,000 left over. They distribute it to the non-Title I schools

What about districtwide expenditures?

ED argues methodology test consistent with review of specific costs at district level

- For state-mandated requirements
- For same services to Title I students/schools and Non-Title I students/schools

Supplement, Not Supplant for Title II, Title III, and Title IV

What would have happened in the absence of federal funds? – supplement not supplant requirements remain the same



Supplement, Not Supplant Presumptions

1. Providing services required under state or local law (*or other federal funds for Title III*)
2. Providing same services as those provided in prior school year with state or local funds
3. Providing the same services in federal and non-federal programs

SNS Pop Quiz Question 1

Gregory Elementary School, a schoolwide school, paid for a math enrichment software program last year using State funds. This year the school wants to use its Title I funds to pay for the program.

Is this supplanting?

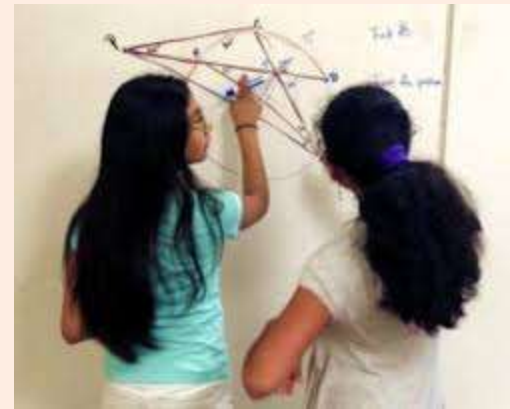
Is this allowable?

SNS Pop Quiz Question 2

Bartlett Elementary, a targeted assistance school, heard about that great math enrichment software program and now wants to purchase it to use for all students using its Title I funds.

Is this supplanting?

Is this allowable?



SNS Pop Quiz Question 3

Bartlett Elementary, the targeted assistance school, still wants that math enrichment software program so now decides to purchase it but proportionately charge the software 20% to Title I, since 20% of the students are Title I students and 80% to state funds, since 80% of the students are non-Title I students.

Is this supplanting?

Is this allowable?

SNS Pop Quiz Question 4

Homer Middle School was just cited for having 3 doors that do not meet fire code. Since it is a Title I schoolwide school, Homer Middle wants to use its Title I funds to fix the doors.

Is this supplanting?

Is this allowable?



SNS Pop Quiz Question 5

Last year, an LEA implemented a Title I district-wide summer camp initiative for its Title I schools only. It was so successful that this year they will continue the program but expand it to include the non-Title I schools using state funds.

Is this supplanting?

Is this allowable?



SNS Pop Quiz Question 6

The District is implementing a STEM initiative program in all of its 5 elementary schools (3 Title I schools, 2 Non-Title I schools). The LEA has enough local funds to pay for 3 schools only so it uses Title I funds for the remaining 2 schools because there are not enough local funds for all schools.

Is this supplanting?

Is this allowable?



SNS Pop Quiz Question 7

Gerald Middle School has been paying for a digital learning program with its local funds but it now wants to use those funds on other initiatives so the school decides to pay for it next school year with Title IV, A funds.

Is this supplanting?

Is this allowable?

- What if the digital learning program had been paid for previously with Title I, A funds, and the school now wants to use Title IV, A?



Questions?



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